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USDOC FOR 532/OEA/LHINES/ADYSON
USDOC FOR 3132 FOR FCS/OIO REGIONAL DIRECTOR PATRICK SANTILLO
BICE FOR OFFICE OF STRATEGIC INVESTIGATIONS

SIPDIS

E.O. 12958: N/A

TAGS: BMGT BEXP HK ETRD ETTC
SUBJECT: EXTRANCHECK: POST SHIPMENT VERIFICATION: CENTRE BRIGHT COMPANY

REF: A) USDOC 00039 B) HK 02321 (2008) C)HK 00909 (2006)

1. Unauthorized disclosure of the information provided below is prohibited by Section 12C of the Export Administration Act.

¶2. As per reftel A request and at the direction of the Office of Enforcement Analysis (OEA) of the USDOC Bureau of Industry and Security (BIS), Export Control Officer Philip Ankel (ECO) attempted to conduct a post shipment-verification (PSV) at Centre Bright Company, Unit 7A, Nathan Commercial building, 430-436 Nathan Road, Kowloon, Hong Kong (Centre Bright). The items in question for this check are Xilinx integrated circuits exported to Centre Bright by GE Procurement LLC on or about March 4, 2005. These items are classified under export control classification number (ECCN) 3A001a2c and, if properly classified, would be controlled for national security (NS) reasons. This ECCN is one of the class of products that may be exported to Hong Kong license free but would require a license if shipped directly to mainland China.

¶3. As further detailed in reftels B-C, Centre Bright was the subject of a prior unfavorable PSV and is related (directly or indirectly) to several additional unfavorable PSVs involving at least the following Hong Kong companies: Exodus Microelectronics, Echelon Microsystems Limited and Victory Wave Holding Ltd. These companies are, in turn, related or conduct business with a range of problematic mainland China companies. Based on information received from an industry source, ECO believes that the directors and shareholders of Exodus, Centre Bright, Victory Wave and Echelon are all members of the same family (parents and adult son). A review of the Hong Kong Companies Registry reveals that the corporate information concerning Centre Bright has not changed since the date of the Centre Bright PSV referenced in reftel B.

¶4. FCS Commercial Assistant Carrie Chan attempted, on several occasions, to set up a meeting with representatives of Centre Bright at a range of contact numbers (including those provided by OEA). ECO subsequently sent a registered letter requesting a meeting to Centre Bright at a new address, namely Room D, Block 1, 6/F, International Industrial Ctr, 2-8 Kwai Tei Street, Shatin, New Territories, Hong Kong (the new registered address of the company). The Hong Kong Post Office confirms that a representative of Centre Bright signed for the letter. When Ms. Chan attempted to set up the meeting, however, the party answering the phone at Centre Bright stated that the applicable person was either not available or that they would return the call. To date, Commercial Assistant Chan has not been able to schedule the check and ECO believes further attempts will prove unsuccessful.

¶5. Based on the information noted above, ECO believes that Centre Bright is a most unsuitable recipient of U.S. origin controlled technology. Further, ECO recommends that Centre Bright be added to the BIS Entities List or that the BIS Unverified List be amended to reflect an additional address for Centre Bright (which is already on the BIS Unverified List).